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Transcriber's Office  
FLOOR DEBATE

May 7, 2003

LB 287

repairs that would be significant repairs. Are you referring to repairs that you would put on your tax schedule as onto your personal property as an improvement to that individual piece of equipment? Would that be the significant one?

SENATOR LANDIS: Well, the phrase that is used in the sales and income tax statute has to do with capitalization, and that has to do with your depreciation schedule and that's usually a federal depreciation schedule.

SENATOR STUTHMAN: Okay. And then by entering that on your depreciation schedule, then you could go in for...apply for a refund on the sales tax of that piece and the labor.

SENATOR LANDIS: And that's current law now. Your part is taxed unless it's refunded. It's refunded if it rises to the level of being a repair significant enough to get capitalized and put on your depreciation schedule. This will treat labor exactly in the same way that your current agricultural parts are now treated.

SENATOR STUTHMAN: Okay.

SENATOR LANDIS: To the extent that they're taxed, then the labor will be taxed. To the extent that they're refunded, then the labor will be refunded.

SENATOR STUTHMAN: Okay, so then in other words, that the usual day-to-day repairs on equipment that you have, you know, 500, 800, 900 thousand dollar repair on equipment that you just have as a deductible expense on your income tax, you would have to pay the tax on the labor and on the part and it would not be eligible for refund.

SENATOR LANDIS: Would be able to be refunded. You would be able to treat it as an expense. This will treat the labor exactly like the parts. Now, what you described to me was that you had a cost that was an expense. This will add to that expense. It will be a tax deductible expense.

SENATOR STUTHMAN: Yes, that will be a tax deductible expense,